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CHARLES LIU – State Bar No. 190513  
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**PROFESSIONAL CORPORATION**  
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General Insolvency Counsel  
for Phage Biotechnology Corporation, Alleged Debtor

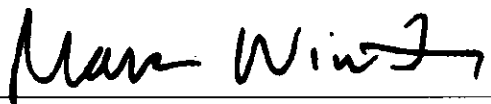
**UNITED STATES BANKRUPTCY COURT**  
**SOUTHERN DISTRICT OF CALIFORNIA**

In re:	Case No. 08-09859-LA7
	Involuntary Chapter 7 Proceeding
PHAGE BIOTECHNOLOGY CORPORATION,	<b>DEBTOR’S MOTION/ELECTION TO CONVERT CHAPTER 7 CASE TO A CASE UNDER CHAPTER 11</b>
Alleged Debtor.	
	[No Hearing Set]

**TO THE HONORABLE LOUISE DECARL ADLER, UNITED STATES BANKRUPTCY JUDGE:**

Phage Biotechnology Corporation, the Alleged Chapter 7 Debtor herein, pursuant to the provisions of §706 of the Bankruptcy Code, moves/elects to convert this Chapter 7 case to a case under Chapter 11 of the Bankruptcy Code, as indicated on that certain Alleged Debtor’s (1) Consent to Entry of Order for Relief; and (2) Election to Convert Chapter 7 Case to a Case Under Chapter 11 of the Bankruptcy Code, a true copy of which is attached hereto as Exhibit “1” and incorporated herein by this reference.

DATED: October 27, 2008	<b>WINTHROP COUCHOT</b> <b>PROFESSIONAL CORPORATION</b>
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By:   
Marc J. Winthrop  
Charles Liu  
[proposed] Attorneys for Debtor and Debtor in Possession

## **Exhibit “1”**

MARC J. WINTHROP– State Bar No. 63218  
CHARLES LIU – State Bar No. 190513  
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PROFESSIONAL CORPORATION**  
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Proposed Insolvency Counsel  
for Phage Biotechnology Corporation,  
Alleged Debtor

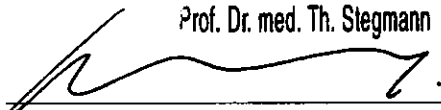
**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

In re:	Case No. 08-09859-LA7 Involuntary Chapter 7 Proceeding
PHAGE BIOTECHNOLOGY CORPORATION,	<b>ALLEGED DEBTOR’S</b>
Alleged Debtor.	<b>(1) CONSENT TO ENTRY OF ORDER FOR RELIEF; AND</b>
	<b>(2) ELECTION TO CONVERT CHAPTER 7 CASE TO A CASE UNDER CHAPTER 11 OF THE BANKRUPTCY CODE</b>
	[No Hearing Set]

**TO THE HONORABLE LOUISE DECARL ADLER, UNITED STATES BANKRUPTCY JUDGE:**

Phage Biotechnology Corporation, the Alleged Chapter 7 Debtor herein, hereby consents to the entry of an Order for Relief and, pursuant to the provisions of §706 of the Bankruptcy Code, elects to convert this Chapter 7 case to a case under Chapter 11 of the Bankruptcy Code.

DATED: October 9, 2008 **PHAGE BIOTECHNOLOGY CORPORATION**

By:  Prof. Dr. med. Th. Stegmann  
Thomas J. Stegmann, MD, PhD  
Chief Executive Officer

CERTIFICATE OF SERVICE

I, Viann Corbin, declare as follows:

I am employed in the County of Orange, State of California; I am over the age of eighteen years and am not a party to this action; and my business address is 660 Newport Center Drive, Fourth Floor, Newport Beach, California 92660, in said County and State.

On October 27, 2008, I served the following document: DEBTOR’S MOTION/ELECTION TO CONVERT CHAPTER 7 CASE TO A CASE UNDER CHAPTER 11 on each of the interested parties as follows:

Fax: (619) 557-5339  
United States Trustee  
402 W. Broad Street., Suite 600  
San Diego, CA 92101

by the following means of service:

<input checked="" type="checkbox"/>	<b>BY FACSIMILE:</b> On the date set forth above, from Newport Beach, California, I caused each such document to be transmitted by facsimile machine, to the parties and numbers indicated above. To the best of my knowledge, the transmission was reported as complete, and no error was reported by the facsimile machine. A copy of the transmission record is maintained by our office.
<input checked="" type="checkbox"/>	I am employed in the office of Winthrop Couchot Professional Corporation. Marc J. Winthrop is a member of the bar of this Court.
<input checked="" type="checkbox"/>	<b>(FEDERAL)</b> I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 27, 2008, at Newport Beach, California.

  
Viann Corbin